

STATE SCHOOL AID UPDATE

Michigan Department of Education



November 2014

Vol. 22 No.2

NOVEMBER PAYMENT INFORMATION

The November state school aid payment is the second fiscal year 2015 payment. The payment will be electronically transferred to the districts' accounts on Thursday, November 20, 2014.

Taxable Value - The November payment continues to use the *beginning* 2014 tax roll non-PRE (non-Primary Residence Exempt property), and Commercial Personal property taxable value data for the Section 20 foundation calculations, as provided by the county treasurers via the web based taxable valuation collection process. These data can be viewed by school district personnel on the Department's website. The URL is: <https://mdoe.state.mi.us/TaxableValue/login.aspx?mode=access&ReturnUrl=%2fTaxableValue%2f>. To view your data, click on "Public Access," and then choose your district code and the appropriate tax year from the drop-down menus. Questions concerning taxable value should **first be directed to the appropriate county treasurer**.

Pupil Membership - October 2014 unaudited pupil count data received prior to November 1, 2014 were used in the calculation of the blended membership count for the November payment. Otherwise, the estimates that were used in the October payment continue to be used. Please note that the **three-year average membership blend** was calculated for the November payment using either the estimates or the unaudited data, whichever was available. The three-year average blend is used for districts with a current year 90% - 10% blend of less than 1,550 and 4.5 or fewer pupils per square mile for whom the average of the membership blends for fiscal year 2013, fiscal year 2014 and fiscal year 2015 exceeds the current year blend. Districts receiving the three-year blend can see the details of the calculation on the State Aid Financial Status Report.

Special Education Cost Figures - The fiscal year 2013 special education and special education transportation cost figures continue to be used in the November payment. The fiscal year 2014 cost reports, which were due this fall, are being audited by the Office of Special Education and will be used to estimate current year costs when the data are released to the Office of State Aid and School Finance. (Dianne Easterling, Special Education Office, (517) 241-4517, EasterlingD@Michigan.gov)

Updated Categoricals - The following categoricals were updated in the November payment although the updates may not have affected the allocation amounts for all districts. If the allocation amount for your district has changed and you have questions concerning that change, contact the consultants identified below:

- Special Education - Section 53a Court Placed (Dianne Easterling, Special Education Office, (517) 241-4517, EasterlingD@Michigan.gov)
- Special Education - Section 54 School for Deaf (Dianne Easterling, Special Education Office, (517) 241-4517, EasterlingD@Michigan.gov)
- MPSERS Cost Offset - Section 147a (Phil Boone, State Aid and School Finance, (517) 335-4059 BooneP2@Michigan.gov)
- MPSERS Rate Stabilization - Section 147c (Phil Boone, State Aid and School Finance, (517) 335-4059 BooneP2@Michigan.gov)

DEFICIT ELIMINATION PLANS

Any district or public school academy that incurred a negative fund balance as of June 30, 2014 must submit to the Department a board adopted Deficit Elimination Plan with a matching fiscal year 2015 budget. Districts with completed FID submissions that indicate deficit status are notified of this requirement. Failure to submit a complete Deficit Elimination Plan by the due dates in that correspondence will result in the withholding of state school aid payments. For further information as well as the required forms, please see the Department's website at http://www.michigan.gov/mde/0,4615,7-140-6530_6605-106599--,00.html. Questions may be directed to Jeff Kolb, Office of State Aid and School Finance, (517) 373-1908 or KolbJ2@Michigan.gov.

BUDGET TRANSPARENCY UPDATE

The Budget Transparency guidance has been revised to include legislative changes made under PA 196 of 2014. Additional changes have also been made to resolve some reporting issues.

The following are some bullet points of the legislative changes for this year:

- All budgets and subsequent amendments must be posted to the transparency page within 15 days of board adoption.
- There are three new data elements that must be reported on the transparency page. Please see our guidance for additional details on these data elements.

- The most recent state approved deficit elimination plan or enhanced deficit elimination plan must be posted.
- Information on all credit cards maintained by the district as district credit cards must be reported.
- Information on out-of-state travel by district administration must be reported.

The following are some bullet points of the general guidance updates and reminders:

- Health Care Plans: In previous years, districts could choose to post the plan summary documents or provide a link to the health care provider's website. Providing a link to the health care provider's website will no longer be an option. A copy of all plan summary documents must now be posted on the transparency page.
- Employee Compensation Information: The superintendent's information must be disclosed, regardless of salary amount. For schools that do not have a superintendent, information for the top administrator listed in the Educational Entity Master must be disclosed. In addition to the above, salary information must also be disclosed for all other employees whose salary exceeds \$100,000 in Medicare wages.
- Each data element found in the legislation must be listed on your transparency page. If you do not have information to post for a data element, please write a line stating you do not have any applicable information to provide. Examples may be found in our guidance template.
- Attachment A of the guidance is a template that should be used when designing your budget transparency web page. This is the form and manner prescribed by the Department.
- Attachment B of the guidance contains document examples of several data elements. Again, this is the form and manner prescribed by the Department.

The updated guidance may be found on our website at http://www.michigan.gov/mde/0,4615,7-140-6530_6605-159882--,00.html. Questions related to the Budget Transparency should be directed to Chad Urchike, Office of State Aid and School Finance, at (517) 335-1261 or by e-mail at UrchikeC1@Michigan.gov.

SECTION 147A AND 147C MPSERS FUNDS

The November 2014 payment includes funds from Section 147a of the State School Aid Act that appropriates \$100 million for offsetting Michigan Public School Employee Retirement Service (MPSERS) costs and from Section 147c that appropriates \$674.7 million for the UAAL rate stabilization. These funds are to be used solely for the purpose described in the respective State School Aid Act sections. The amount allocated to each entity is based on each participating entity's percentage of the total statewide payroll for all participating entities for the state fiscal year ending September 30, 2014. In order to process these funds, the Department needed the payroll data for the fiscal year ending September 30, 2014. Those data were received in time to process the Section 147a MPSERS Offset funds and the Section 147c UAAL Rate Stabilization funds in the November payment (both the October and November installments). The funds appear in the "Current Year Allowances" section of the State Aid Financial Status Report.

If you are no longer a participating entity as defined in the act then you are not entitled to the funds and they will need to be returned to the Department. Please notify the Department of that change at your earliest convenience. Guidance on this topic from the Department can be found at http://www.michigan.gov/mde/0,4615,7-140-6530_6605--,00.html. Questions related to the MPSERS funds should be directed to Phil Boone, Office of State Aid and School Finance, at (517) 335-4059 or by e-mail at BooneP2@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- The **fiscal year 2015 MSDS Records (including State Aid FTE Counts)** for the October 1, 2014 count date were due to the Center for Educational Performance and Information (CEPI) by **November 5, 2014 and were to be certified by November 12.**
- **November 15** was the deadline for local districts (including PSAs) to file their **fiscal year 2014 financial audit reports** with the ISD and the Department. It was also the date for the ISD to file its own **financial report** and the **pupil membership audit reports** for its constituent districts with the Department. (Naomi Krefman, (517) 335-6858, KrefmanN@Michigan.gov).
- **November 15** was the deadline for local and intermediate districts (including PSAs) to submit the **fiscal year 2014 Annual Comprehensive Financial Report - FID**. (Chris May, (517) 335-1263, MayC@Michigan.gov).
- **Proration factors** for November: Section 31a At Risk 313.8611131352, Section 62 Vocational Education Millage Equalization .999999989, Section 22j performance based Funding .9920950777 and the Section 23 Equity Payment .9923935064.
- The **Headlee Obligation for Data Collection** funds are being paid out at a rate of \$24.7443638062 per pupil.

*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Dan Hanrahan, Director, State Aid & School Finance, MDE**, phone: (517) 335-0521, fax: (517) 241-0196, e-mail: HanrahanD@Michigan.gov